

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF FRANCIS) APPEAL NO. 07-A-2664
AND NANCY KIRK from the decision of the Board) FINAL DECISION
of Equalization of Valley County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing February 13, 2008, in Cascade, Idaho before Presiding Officer Steve Wallace. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Appellants Francis Kirk and Andrew Kirk appeared. Assessor Karen Campbell and Chief Deputy Assessor Deedee Gossi appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RP00191000010CA.

The issue on appeal is the market value of a residential property.

The decision of the Valley County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value is \$2,271,380, and the improvements' valuation is \$150,360, totaling \$2,421,740. Appellant requests the land value be reduced to \$700,000, and the improvements' value be reduced to \$100,000, totaling \$800,000.

The subject property consists of a 1,660 square foot cabin located on 121 feet of frontage located on Payette Lake in McCall. Subject has a panoramic view of the mountains and lake.

Appellants disagreed with subject's assessed value increasing from \$1,683,480 in 2006 to \$2,421,740 in 2007. It was stated the valuation was inaccurate and not comparable with the current real estate market.

The Taxpayer stated improvements to the property were made in 2000, such as new siding and other minor repairs that did not affect value.

Appellants asserted subject could not be sold for the assessed value, and the property (cabin) next door had been on the market for some time with an asking price of 1.1 million and less front footage.

Appellant commented on the Assessor's exhibit which stated "the assessed values for this and other properties within Valley County are based on a model that was developed from sales data received for similar properties in comparable neighborhoods within the County". It was then argued all lakefront properties should not be valued as one neighborhood.

Appellant discussed two sales, but little detail was offered regarding the sales. All that was mentioned was that one sale was believed to take place in 2007 for \$3,000,000.

Appellant stated a notice was received from the County which stated a 3% increase per month was applied to subject's assessed values.

Respondent stated originally there was a 3% per month time adjustment for subject, after looking at the adjustment the Assessor found it was in error and, therefore, the final assessment notice sent to Appellant did not include a time adjustment.

The County maintained in order to be at market value each year, the comparison of assessed values to sale prices needs to be between 90% and 110%, as required by the State Tax Commission.

The County explained almost all property around the lake received an adjustment. In this case, an adjustment of +7%, and a -13% was applied to the land value of subject because it was not a standard lot. In addition, \$6,500 was added to the land value for the onsite sewer

and water.

Respondent provided data from ten lake front property sales to establish subject's market value. It was maintained these were the best sales available for comparison to subject. The sales occurred in 2005 and 2006 and were located in close proximity to subject. Lake frontage ranged from 56 to 217 feet, with sale prices between \$1,175,000 and \$2,639,460 or \$11,077 to \$27,501 per front foot. For comparison subject was valued at \$18,718 per front foot.

Two of the sales were in subject's subdivision and sold in 2006 for \$2,593,210, 96 front feet, and \$2,500,000, 105 front feet, the improvement's value were extracted from the sale price to signify land values.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code Section 63-208. Rules pertaining to market value – Duty of Assessor. Rules promulgated by the State Tax Commission shall require each assessor to find market value for assessment purposes.

Idaho Code Section 63-201(10) defines market value:

“Market Value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Respondent's evidence demonstrates subject's assessment is based on current sales information. The Board finds the assessed value does not exceed market value, nor has the assessment otherwise been demonstrated to be in error.

Idaho Code § 63-511(4) - Appeals from county board of equalization, provides:

In any appeal taken to the board of tax appeals or the district court pursuant to this section, the burden of proof shall fall upon the party seeking affirmative relief to establish that the valuation from which the appeal is taken is erroneous, or that the board of equalization erred in its decision regarding a claim that certain property is exempt from taxation, the value thereof, or any other relief sought before the board of equalization. *A preponderance of the evidence shall suffice to sustain the burden of proof.* The burden of proof shall fall upon the party seeking affirmative relief and the burden of going forward with the evidence shall shift as in other civil litigation. The board of tax appeals or the district court shall render its decision in writing, including therein a concise statement of the facts found by the court and the conclusions of law reached by the court. The board of tax appeals or the court may affirm, reverse, modify or remand any order of the board of equalization, and shall grant other relief, invoke such other remedies, and issue such orders in accordance with its decision, as appropriate. *(Emphasis added.)*

Appellant did not offer any sales, appraisal, or other factual information to establish the market value of the subject property.

Appellant has not demonstrated by a preponderance of evidence that the relief claimed is warranted. The decision of the Valley County BOE will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

MAILED April 3, 2008